

**UNIFIED SCHOOL DISTRICT NO. 363  
HOLCOMB, KANSAS**

---

**FINANCIAL STATEMENT  
with  
INDEPENDENT AUDITOR'S REPORT**

**YEAR ENDED JUNE 30, 2019**

---

# TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report.....	1
<u>FINANCIAL SECTION</u>	
Statement 1	
Summary Statement of Receipts, Expenditures and Unencumbered Cash.....	4
Notes to the Financial Statement .....	6
<u>REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION</u>	
Schedule 1	
Summary of Expenditures - Actual and Budget.....	14
Schedule 2	
Schedule of Receipts and Expenditures:	
<u>General Funds</u>	
2-1 General Fund .....	15
2-2 Supplemental General Fund.....	16
<u>Special Purpose Funds</u>	
2-3 Bilingual Education Fund.....	17
2-4 Capital Outlay Fund.....	18
2-5 Driver Training Fund.....	19
2-6 Food Service Fund .....	20
2-7 Professional Development Fund.....	21
2-8 Parents as Teachers Fund .....	22
2-9 Special Education Fund.....	23
2-10 Career and Postsecondary Education Fund .....	24
2-11 At-Risk (4-Year-Old) Fund.....	25
2-12 At-Risk (K-12) Fund.....	26
2-13 KPERs Special Retirement Contribution Fund .....	27
2-14 Recreation Commission Fund .....	28
2-15 Recreation Commission Employee Benefits Fund .....	29
2-16 Non-Budgeted Special Purpose Funds.....	30
<u>Bond and Interest Fund</u>	
2-17 Bond and Interest Fund .....	31
<u>Capital Project Fund</u>	
2-18 Capital Improvement Fund .....	32
Schedule 3	
Schedule of Receipts, Expenditures and Unencumbered Cash - District Activity Funds.....	33
Schedule 4	
Summary of Receipts and Disbursements - Agency Funds .....	34
<u>Related Municipal Entity</u>	
Schedule 5	
Schedule of Receipts and Expenditures – Actual and Budget	
5-1 Holcomb Recreation Commission General Fund.....	36
5-2 Holcomb Recreation Commission Employee Benefits Fund .....	37

*Kennedy*  
*McKee & Company LLP* Certified Public Accountants

1100 W. Frontview  
P. O. Box 1477  
Dodge City, Kansas 67801  
Tel. (620) 227-3135  
Fax (620) 227-2308  
[www.kmc-cpa.com](http://www.kmc-cpa.com)

JAMES W. KENNEDY, CPA  
ROBERT C. NEIDHART, CPA  
PATRICK M. FRIESS, CPA  
JOHN W. HENDRICKSON, CPA

## INDEPENDENT AUDITOR'S REPORT

Board of Education  
Unified School District No. 363  
Holcomb, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash of Unified School District No. 363 and its related municipal entity, the Holcomb Recreation Commission (collectively referred to as the Municipal Financial Reporting Entity), as of and for the year ended June 30, 2019, and the related notes to the financial statement.

### **Management's Responsibility for the Financial Statement**

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note A; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As described in Note A, the financial statement is prepared by the Municipal Financial Reporting Entity on the basis of the financial reporting provisions of *the Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

## **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Municipal Financial Reporting Entity as of June 30, 2019, or changes in financial position and cash flows thereof for the year then ended.

## **Unmodified Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balances of the Municipal Financial Reporting Entity as of June 30, 2019, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note A.

## **Other Matters**

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash (basic financial statement) as a whole. The summary of regulatory basis expenditures – actual and budget, individual fund schedules of regulatory basis receipts and expenditures, schedule of regulatory basis receipts, expenditures and unencumbered cash – district activity funds, summary of regulatory basis receipts and disbursements – agency funds, and individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the related municipal entity (Schedules 1, 2, 3, 4 and 5 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note A.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the Municipal Financial Reporting Entity as of and for the year ended June 30, 2018 (not presented herein), and have issued our report thereon dated January 28, 2019, which contained an unmodified opinion on the basic financial statement. The 2018 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the website of the Kansas Department of Administration at the following link: <http://admin.ks.gov/offices/chief-financial-officer/municipal-services>. The 2018 actual column (2018 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures for the year ended June 30, 2019 (Schedules 2 and 5 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2018 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2018 basic financial statement. The 2018 comparative information was subjected to the auditing procedures applied in the audit of the 2018 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2018 basic financial statement or to the 2018 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2018 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole, for the year ended June 30, 2018, on the basis of accounting described in Note A.

*Kennedy McKee & Company LLP*

February 7, 2020

**UNIFIED SCHOOL DISTRICT NO. 363  
HOLCOMB, KANSAS**

**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES  
AND UNENCUMBERED CASH  
REGULATORY BASIS**

For the Year Ended June 30, 2019

<u>Fund</u>	<u>Beginning unencumbered cash balance</u>	<u>Prior year canceled encumbrances</u>
General funds:		
General	\$ -	\$ -
Supplemental general	<u>171,315</u>	<u>-</u>
Total general funds	<u>171,315</u>	<u>-</u>
Special purpose funds:		
Bilingual education	2,181	-
Capital outlay	3,666,190	422
Driver training	23,012	-
Food service	28,854	-
Professional development	25,152	91
Parents as teachers	-	-
Special education	497,862	-
Career and postsecondary education	68,342	74
At-risk (4-year-old)	2,141	-
At-risk (K-12)	15,218	-
KPERs special retirement contribution	-	-
Recreation commission	17,155	-
Recreation commission employee benefits	4,232	-
Non-budgeted special purpose funds:		
Title II-A	-	-
Gift	10,307	3
Migrant grant	-	-
Title I-A	-	-
Title I-migrant	-	-
Holowach estate	596,292	-
Health council	6,728	-
Contingency reserve	686,918	-
Student materials	89,849	2
Title III ESL	-	-
District activity funds	<u>30,723</u>	<u>-</u>
Total special purpose funds	<u>5,771,156</u>	<u>592</u>
Bond and interest fund:		
Bond and interest	<u>505,770</u>	<u>-</u>
Capital project fund:		
Capital improvement	<u>2,032,188</u>	<u>-</u>
Total Unified School District No. 363	<u>8,480,429</u>	<u>592</u>

<u>Receipts</u>	<u>Expenditures</u>	<u>Ending unencumbered cash balance</u>	<u>Add encumbrances and accounts payable</u>	<u>Ending cash balance</u>
\$ 6,723,976	\$ 6,723,976	\$ -	\$ 250,329	\$ 250,329
2,136,868	2,161,037	147,146	41,805	188,951
<u>8,860,844</u>	<u>8,885,013</u>	<u>147,146</u>	<u>292,134</u>	<u>439,280</u>
160,058	160,058	2,181	7,428	9,609
1,023,014	2,988,340	1,701,286	1,163,446	2,864,732
16,434	9,299	30,147	4,244	34,391
633,553	578,330	84,077	18,883	102,960
62,821	38,747	49,317	721	50,038
25,000	-	25,000	-	25,000
909,240	843,240	563,862	-	563,862
187,921	187,995	68,342	13,210	81,552
78,147	78,147	2,141	4,696	6,837
869,699	869,699	15,218	37,572	52,790
597,312	597,312	-	-	-
434,577	451,732	-	-	-
120,748	124,980	-	-	-
24,675	24,675	-	1,889	1,889
10,781	8,172	12,919	310	13,229
-	5,232	(5,232)	2,952	(2,280)
182,439	182,439	-	7,031	7,031
40,000	40,000	-	3,002	3,002
4,344	3,000	597,636	-	597,636
-	-	6,728	-	6,728
-	-	686,918	-	686,918
79,497	79,499	89,849	22,599	112,448
12,798	12,798	-	1,660	1,660
110,301	120,324	20,700	-	20,700
<u>5,583,359</u>	<u>7,404,018</u>	<u>3,951,089</u>	<u>1,289,643</u>	<u>5,240,732</u>
<u>359,222</u>	<u>142,410</u>	<u>722,582</u>	<u>-</u>	<u>722,582</u>
<u>6,694</u>	<u>2,038,882</u>	<u>-</u>	<u>744,639</u>	<u>744,639</u>
<u>14,810,119</u>	<u>18,470,323</u>	<u>4,820,817</u>	<u>2,326,416</u>	<u>7,147,233</u>

**UNIFIED SCHOOL DISTRICT NO. 363  
HOLCOMB, KANSAS**

**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES  
AND UNENCUMBERED CASH  
REGULATORY BASIS**

For the Year Ended June 30, 2019

<u>Fund</u>	<u>Beginning unencumbered cash balance</u>	<u>Prior year canceled encumbrances</u>
Related municipal entity:		
Holcomb Recreation Commission:		
General	\$ 890,175	\$ -
Special purpose fund:		
Employee benefits	61,386	-
Total related municipal entity	951,561	-
Total municipal financial reporting entity (excluding agency funds)	\$ 9,431,990	\$ 592
Composition of cash:		
U.S.D. No. 363 accounts:		
Demand deposits		
Certificates of deposit		
Agency funds		
Total Unified School District No. 363 (excluding agency funds)		
Related municipal entity:		
Holcomb Recreation Commission:		
Demand deposits		
Total municipal financial reporting entity (excluding agency funds)		

The notes to the financial statement are an integral part of this statement.

Receipts	Expenditures	Ending unencumbered cash balance	Add encumbrances and accounts payable	Ending cash balance
\$ 688,216	\$ 745,506	\$ 832,885	\$ 24,970	\$ 857,855
129,230	135,024	55,592	10,150	65,742
817,446	880,530	888,477	35,120	923,597
\$ 15,627,565	\$ 19,350,853	\$ 5,709,294	\$ 2,361,536	\$ 8,070,830
				\$ 6,514,471
				750,000
				7,264,471
				(117,238)
				7,147,233
				923,597
				\$ 8,070,830

**UNIFIED SCHOOL DISTRICT NO. 363  
HOLCOMB, KANSAS**

NOTES TO THE FINANCIAL STATEMENT

June 30, 2019

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies applied in the preparation of the accompanying financial statement is presented to assist in understanding the District's financial statement. The financial statement, schedules, and notes are representations of the District's management, which is responsible for their integrity and objectivity.

1. Municipal Financial Reporting Entity

Unified School District No. 363 is a municipal corporation governed by an elected seven-member board. This financial statement presents Unified School District No. 363 (the Municipality) and its related municipal entity. The related municipal entity is included in the District's reporting entity because it was established to benefit the District and/or its constituents.

**Holcomb Recreation Commission.** The Commission oversees recreational activities. Four of the five members of the governing board are appointed by the Board of Education. The Commission operates as a separate governing body, but the District levies the taxes for the Commission and the Commission has only the powers granted by K.S.A. 12-1928. The Commission cannot purchase real property but can acquire real property by gift.

2. Basis of Presentation – Fund Accounting

The accounts of the District are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The following types of funds comprise the financial activities of the District for the year ended June 30, 2019:

REGULATORY BASIS FUND TYPES

General funds – the chief operating funds. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose funds – used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest fund – used to account for the accumulation of resources (including tax levies, transfers from other funds, etc.) and payment of general long-term debt.

Capital Project fund – used to account for debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

## A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2. Basis of Presentation – Fund Accounting (Continued)

Agency funds – used to report assets held by the municipal financial reporting entity in a purely custodial capacity (student organization funds, etc.).

### 3. Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

The *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The District has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the District to use the regulatory basis of accounting.

### 4. Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for general funds, special purpose funds (unless specifically exempted by statute) and bond and interest funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

- a. Preparation of the budget for the succeeding fiscal year on or before August 1<sup>st</sup>.
- b. Publication in local newspaper on or before August 5<sup>th</sup> of the proposed budget and notice of public hearing on the budget.
- c. Public hearing on or before August 15<sup>th</sup>, but at least ten days after publication of notice of hearing.
- d. Adoption of the final budget on or before August 25<sup>th</sup>.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held, and the governing body may amend the budget at that time. There were no such budget amendments for the year ended June 30, 2019.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Budgetary Information (Continued)

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received, and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for state and federal grant funds, capital project funds, agency funds, and the following special purpose funds:

Gift	Contingency Reserve
Holowach Estate	Student Materials
Health Council	District Activity Funds

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

5. In-Substance Receipt in Transit

The District received \$329,943 subsequent to June 30, 2019 and, as required by K.S.A. 72-6417 and 72-6434, the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2019.

B. COMPLIANCE WITH KANSAS STATUTES

References made herein to the statutes are not intended as interpretations of law but are offered for consideration of the Director of Accounts and Reports, the State Department of Education, and legal representatives of the District.

The cash basis law provided by K.S.A. 10-1113 prohibits the creation of indebtedness in any fund in excess of monies available in that fund. Although the Migrant Grant fund overspent its cash balance, according to K.S.A. 12-1664, the District is not prohibited from financing the federal share of a local program from current funds, if available.

C. DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

C. DEPOSITS AND INVESTMENTS (CONTINUED)

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

*Custodial credit risk - deposits.* Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at June 30, 2019.

At June 30, 2019, the District's carrying amount of deposits was \$7,264,471 and the bank balance was \$7,435,376. Of the bank balance, \$500,000 was covered by federal depository insurance and \$6,935,376 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

D. CAPITAL PROJECTS

Capital project authorizations with approved change orders compared with cash disbursements and accounts payable from inception are as follows:

	Project commitments authorized	Cash disbursements and accounts payable to date	Remaining financial commitment
WES,HES,HMS Safety and Security Upgrades	\$ 1,834,140	\$ 1,753,820	\$ 80,320
HHS Additions and Renovations	4,178,092	3,273,059	905,033
LED Light Upgrades	325,149	243,862	81,287
Football Grandstand Upgrades	44,833	-	44,833
	<u>\$ 6,382,214</u>	<u>\$ 5,270,741</u>	<u>\$ 1,111,473</u>

E. LONG-TERM DEBT

Changes in long-term liabilities for the year ended June 30, 2019 were as follows:

Issue	Balance beginning of year	Additions/ net change	Reductions/ net change	Balance end of year	Interest paid
General obligation bonds:					
Series 2017					
Issued December 28, 2017					
In the amount of \$4,040,000					
At interest rate of 3.00%					
Maturing September 1, 2033	\$4,040,000	\$ -	\$ -	\$4,040,000	\$ 142,410
Capital leases:					
Copiers (Western State Bank)					
Issued August 18, 2015					
In the amount of \$27,670					
At interest rate of 2.05%					
Maturing August 18, 2018	1,582	-	1,582	-	4
Total Long-Term Debt	<u>\$4,041,582</u>	<u>\$ -</u>	<u>\$ 1,582</u>	<u>\$4,040,000</u>	<u>\$ 142,414</u>

E. LONG-TERM DEBT (CONTINUED)

Current maturities of general obligation bonds and interest for the next five years and in five-year increments through maturity are as follows:

	Principal due	Interest due	Total due
2020	\$ 75,000	\$ 120,075	\$ 195,075
2021	225,000	115,575	340,575
2022	230,000	108,750	338,750
2023	240,000	101,700	341,700
2024	250,000	94,350	344,350
2025-2029	1,390,000	351,300	1,741,300
2030-2034	1,630,000	125,550	1,755,550
Total	<u>\$ 4,040,000</u>	<u>\$ 1,017,300</u>	<u>\$ 5,057,300</u>

F. DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

*Plan description.* The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at [www.kpers.org](http://www.kpers.org), by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

*Contributions.* K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009 and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate of 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory contribution rate (not including the 1% contribution rate for the Death and Disability Program) was 16.38% and 12.01%, respectively, for the fiscal year ended June 30, 2018. The actuarially determined employer contribution rate and the statutory contribution rate was 14.59% and 13.21% for the fiscal year ended June 30, 2019.

Per 2017 Senate Substitute for the House Bill 2052, Section 37(a), the state general fund employer contributions to KPERS were decreased by \$64,130,234 for the fiscal year ended June 30, 2017. Section 43(17) of the bill also stipulated that repayments of the reduced contributions are to be amortized over twenty years at a level dollar amount commencing in fiscal year 2018. The level dollar amount was computed to be \$6.4 million per year. The first-year payment of \$6.4 million was received in July 2017.

## F. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Per 2017 Senate Substitute for House Bill 2002, Section 51(a), state general fund employer contributions to KPERS were decreased by \$194,022,683 for the fiscal year ended June 30, 2019. Section 56(19) of the bill also stipulates that repayments of the reduced contributions are to be amortized over twenty years at a level dollar amount commencing in the fiscal year 2020. The level dollar amount was computed to be \$19.4 million per year.

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate which totaled \$597,312 for the year ended June 30, 2019.

### Net Pension Liability

At June 30, 2019, the District's proportionate share of the collective net pension liability reported by KPERS was \$8,006,143. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2018. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publically available on the website at [www.kpers.org](http://www.kpers.org) or can be obtained as described above.

## G. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

*Other post-employment benefits.* As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

*Death and disability other post-employment benefits.* As provided by K.S.A 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate was set at 1% for the year ended June 30, 2019.

*Section 125 plan.* The District offers a Section 125 Flexible Benefit Plan to employees electing to participate. It is used for unreimbursed medical and dependent care expenses. The plan is administered by an independent company

## G. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS (CONTINUED)

*Compensated absences.* The District's policy is to recognize the costs of compensated absences when actually paid. District policies address vacation for employees on twelve-month contracts and sick leave for all full-time employees. Employees on twelve-month contracts receive two weeks of vacation per year. After an employee has worked for the District for five years, they receive an additional day of vacation for each year until they receive a maximum of fifteen days of vacation. The Superintendent's vacation is noted in his contract and is normally twenty days. Vacation may be accumulated to twice the employee's annual allotment and if not used it will be lost. Upon retirement, termination, or resignation, the District pays for any accumulated vacation days. Certified employees on salary receive fifteen days of sick leave annually. Classified employees receive one sick day per month worked. An employee may not carry over more than one hundred sick days from year to year. Policies permit unused sick leave to be reimbursed if the employee has been with the District for more than fifteen years and retires or resigns at the end of the school year. The District pays for accumulated sick leave at a rate of \$1.00 per day per year of service. After twenty five years of service the rate increases to \$1.50 per day per year of service.

The potential liability for vacation and sick leave for the years ended June 30, 2019 and 2018 was \$68,668 and \$81,655, respectively.

## H. INTERFUND TRANSFERS

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Regulatory authority</u>
General fund	Food service fund	\$ 96,082	K.S.A. 72-5167
General fund	Special education fund	<u>897,009</u>	K.S.A. 72-5167
Total general fund		<u>993,091</u>	
Supplemental general fund	At-risk (4-year-old) fund	78,147	K.S.A. 72-5143
Supplemental general fund	At-risk (K-12) fund	869,699	K.S.A. 72-5143
Supplemental general fund	Bilingual education fund	160,058	K.S.A. 72-5143
Supplemental general fund	Food service fund	75,651	K.S.A. 72-5143
Supplemental general fund	Professional development fund	58,389	K.S.A. 72-5143
Supplemental general fund	Parents as teachers fund	25,000	K.S.A. 72-5143
Supplemental general fund	Student materials fund	15,506	K.S.A. 72-5143
Supplemental general fund	Career and postsecondary education fund	<u>187,310</u>	K.S.A. 72-5143
Total supplemental general fund		<u>1,469,760</u>	
Total operating transfers		<u>\$ 2,462,851</u>	

## I. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance to cover these risks. There have been no significant reductions in coverage from the prior year. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three years.

## J. CONTINGENCIES

The District receives significant financial assistance from numerous Federal and State governmental agencies in the form of grants and pass-through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the General fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on this financial statement.

## K. SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 7, 2020, the date on which the financial statement was available to be used. Management's evaluation concluded that there are no subsequent events that are required to be recognized or disclosed with the financial statement.

**REGULATORY-REQUIRED  
SUPPLEMENTARY INFORMATION**

**UNIFIED SCHOOL DISTRICT NO. 363  
HOLCOMB, KANSAS**

**SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended June 30, 2019

Fund	Certified budget	Adjustment to comply with legal maximum budget	Total budget for comparison	Expenditures chargeable to current year	Variance favorable (unfavorable)
General funds:					
General	\$ 7,074,253	\$ (350,277)	\$ 6,723,976	\$ 6,723,976	\$ -
Supplemental general	2,200,000	(38,963)	2,161,037	2,161,037	-
Special purpose funds:					
Bilingual education	186,128	-	186,128	160,058	26,070
Capital outlay	4,637,209	-	4,637,209	2,988,340	1,648,869
Driver training	30,812	-	30,812	9,299	21,513
Food service	599,709	-	599,709	578,330	21,379
Professional development	45,152	-	45,152	38,747	6,405
Parents as teachers	-	-	-	-	-
Special education	991,714	-	991,714	843,240	148,474
Career and postsecondary education	236,142	-	236,142	187,995	48,147
At-risk (4-year-old)	80,861	-	80,861	78,147	2,714
At-risk (K-12)	924,218	-	924,218	869,699	54,519
KPERS special retirement contribution	973,953	-	973,953	597,312	376,641
Recreation commission	453,751	-	453,751	451,732	2,019
Recreation commission employee benefits	125,500	-	125,500	124,980	520
Bond and interest fund:					
Bond and interest	142,410	-	142,410	142,410	-
	<u>18,701,812</u>	<u>(389,240)</u>	<u>18,312,572</u>	<u>15,955,302</u>	<u>2,357,270</u>
Related municipal entity:					
Holcomb Recreation Commission:					
General	1,540,000	-	1,540,000	745,506	794,494
Special purpose fund: Employee benefits	181,989	-	181,989	135,024	46,965
	<u>1,721,989</u>	<u>-</u>	<u>1,721,989</u>	<u>880,530</u>	<u>841,459</u>
	<u>\$ 20,423,801</u>	<u>\$ (389,240)</u>	<u>\$ 20,034,561</u>	<u>\$ 16,835,832</u>	<u>\$ 3,198,729</u>

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363  
HOLCOMB, KANSAS**

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended June 30, 2019  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	2019		Variance favorable (unfavorable)
	2018	Actual	
Receipts:			
Taxes:			
In lieu of tax	\$ 3,904	\$ 2,372	\$ 4,000
State sources:			
State aid	6,086,120	6,056,572	6,284,873
Special education aid	549,637	578,910	720,380
Mineral production tax	61,171	86,122	65,000
Total receipts	<u>6,700,832</u>	<u>6,723,976</u>	<u>\$ 7,074,253</u>
Expenditures:			
Instruction	3,444,747	3,296,677	\$ 3,634,761
Student support services	12,888	15,215	16,700
Instructional support staff	117,180	118,483	130,322
General administration	294,443	294,806	316,104
School administration	516,811	524,894	547,721
Central services	312,326	318,672	332,921
Operations and maintenance	1,069,184	808,976	893,062
Student transportation services:			
Supervision	30,170	32,153	32,311
Vehicle operating services	222,933	224,211	240,104
Vehicle and maintenance services	113,383	96,798	125,865
Operating transfers	566,771	993,091	804,382
Adjustment to comply with legal maximum budget	-	-	(350,277)
Total expenditures	<u>6,700,836</u>	<u>6,723,976</u>	<u>\$ 6,723,976</u>
Receipts over (under) expenditures	(4)	-	
Unencumbered cash, beginning of year	<u>4</u>	<u>-</u>	
Unencumbered cash, end of year	<u>\$ -</u>	<u>\$ -</u>	

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363  
HOLCOMB, KANSAS**

SUPPLEMENTAL GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended June 30, 2019  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	2018	2019		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes:				
Ad valorem	\$ 2,113,401	\$ 2,037,050	\$ 1,991,731	\$ 45,319
Delinquent	11,766	18,051	14,990	3,061
Motor vehicle	61,804	76,863	54,691	22,172
Recreational vehicle	1,310	1,512	1,231	281
In lieu of tax	3,475	3,392	5,059	(1,667)
State sources:				
Supplemental state aid	56,975	-	-	-
Total receipts	<u>2,248,731</u>	<u>2,136,868</u>	<u>\$ 2,067,702</u>	<u>\$ 69,166</u>
Expenditures:				
Instruction	41,146	57,447	\$ 94,178	\$ 36,731
Student support services	93,113	101,585	98,040	(3,545)
Central services	-	-	14,421	14,421
Operations and maintenance	411,576	532,245	625,761	93,516
Operating transfers	1,604,165	1,469,760	1,367,600	(102,160)
Adjustment to comply with legal maximum budget	-	-	(38,963)	(38,963)
Total expenditures	<u>2,150,000</u>	<u>2,161,037</u>	<u>\$ 2,161,037</u>	<u>\$ -</u>
Receipts over (under) expenditures	98,731	(24,169)		
Unencumbered cash, beginning of year	68,899	171,315		
Prior year canceled encumbrances	<u>3,685</u>	<u>-</u>		
Unencumbered cash, end of year	<u>\$ 171,315</u>	<u>\$ 147,146</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363  
HOLCOMB, KANSAS**

BILINGUAL EDUCATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended June 30, 2019  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	<u>2018</u>	<u>2019</u>		<u>Variance favorable (unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts:				
Transfer from supplemental general	\$ 147,590	\$ 160,058	<u>\$ 184,000</u>	<u>\$ (23,942)</u>
Expenditures:				
Instruction	<u>145,582</u>	<u>160,058</u>	<u>\$ 186,128</u>	<u>\$ 26,070</u>
Receipts over (under) expenditures	2,008	-		
Unencumbered cash, beginning of year	<u>173</u>	<u>2,181</u>		
Unencumbered cash, end of year	<u>\$ 2,181</u>	<u>\$ 2,181</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363  
HOLCOMB, KANSAS**

CAPITAL OUTLAY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended June 30, 2019  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	2018	2019		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes:				
Ad valorem	\$ 949,688	\$ 916,825	\$ 896,579	\$ 20,246
Delinquent	5,980	8,633	6,735	1,898
Motor vehicle	31,533	37,797	26,641	11,156
Recreational vehicle	668	748	600	148
In lieu of tax	1,561	1,527	2,464	(937)
Interest	8,898	14,501	10,000	4,501
Miscellaneous	26,270	42,983	28,000	14,983
Total receipts	<u>1,024,598</u>	<u>1,023,014</u>	<u>\$ 971,019</u>	<u>\$ 51,995</u>
Expenditures:				
Instruction	37,503	245,678	\$ 691,190	\$ 445,512
Student support services	-	104	500,000	499,896
Instructional support staff	-	-	15,000	15,000
General administration	778	6,326	156,019	149,693
School administration	-	2,463	20,000	17,537
Central services	124	-	205,000	205,000
Operations and maintenance	-	236,358	270,000	33,642
Transportation	482,845	51,945	300,000	248,055
Facility acquisition and construction services	48,183	2,445,466	2,480,000	34,534
Total expenditures	<u>569,433</u>	<u>2,988,340</u>	<u>\$ 4,637,209</u>	<u>\$ 1,648,869</u>
Receipts over (under) expenditures	455,165	(1,965,326)		
Unencumbered cash, beginning of year	3,210,719	3,666,190		
Prior year canceled encumbrances	306	422		
Unencumbered cash, end of year	<u>\$ 3,666,190</u>	<u>\$ 1,701,286</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363  
HOLCOMB, KANSAS**

DRIVER TRAINING FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended June 30, 2019  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	2018	2019		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
State aid	\$ 6,272	\$ 10,584	\$ 7,800	\$ 2,784
Other	11,375	5,850	8,000	(2,150)
Total receipts	<u>17,647</u>	<u>16,434</u>	<u>\$ 15,800</u>	<u>\$ 634</u>
Expenditures:				
Instruction	18,447	9,299	\$ 19,768	\$ 10,469
Operations and maintenance - transportation	-	-	11,044	11,044
Total expenditures	<u>18,447</u>	<u>9,299</u>	<u>\$ 30,812</u>	<u>\$ 21,513</u>
Receipts over (under) expenditures	(800)	7,135		
Unencumbered cash, beginning of year	<u>23,812</u>	<u>23,012</u>		
Unencumbered cash, end of year	<u>\$ 23,012</u>	<u>\$ 30,147</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363  
HOLCOMB, KANSAS**

FOOD SERVICE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended June 30, 2019  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	2018	2019		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Federal aid	\$ 314,983	\$ 313,268	\$ 369,605	\$ (56,337)
State aid	4,936	4,831	4,720	111
Charges for services	134,238	139,451	133,530	5,921
Other	87	4,270	-	4,270
Transfer from general	-	96,082	-	96,082
Transfer from supplemental general	62,500	75,651	63,000	12,651
Total receipts	516,744	633,553	<u>\$ 570,855</u>	<u>\$ 62,698</u>
Expenditures:				
Food service operations	568,261	578,330	<u>\$ 599,709</u>	<u>\$ 21,379</u>
Receipts over (under) expenditures	(51,517)	55,223		
Unencumbered cash, beginning of year	80,371	28,854		
Unencumbered cash, end of year	<u>\$ 28,854</u>	<u>\$ 84,077</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363  
HOLCOMB, KANSAS**

PROFESSIONAL DEVELOPMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended June 30, 2019  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	2018	2019		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
State aid	\$ -	\$ 4,432	\$ -	\$ 4,432
Interest	752	-	-	-
Transfer from supplemental general	<u>38,200</u>	<u>58,389</u>	<u>20,000</u>	<u>38,389</u>
Total receipts	38,952	62,821	<u>\$ 20,000</u>	<u>\$ 42,821</u>
Expenditures:				
Instructional support staff	<u>38,728</u>	<u>38,747</u>	<u>\$ 45,152</u>	<u>\$ 6,405</u>
Receipts over (under) expenditures	224	24,074		
Unencumbered cash, beginning of year	24,875	25,152		
Prior year canceled encumbrances	<u>53</u>	<u>91</u>		
Unencumbered cash, end of year	<u>\$ 25,152</u>	<u>\$ 49,317</u>		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 363  
HOLCOMB, KANSAS

PARENTS AS TEACHERS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended June 30, 2019  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	2018	Actual	Budget	Variance favorable (unfavorable)
Receipts:			2019	
Transfer from supplemental general	\$ -	\$ 25,000	<u>\$ -</u>	<u>\$ 25,000</u>
Expenditures:				
Instruction	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Receipts over (under) expenditures	-	25,000		
Unencumbered cash, beginning of year	<u>-</u>	<u>-</u>		
Unencumbered cash, end of year	<u>\$ -</u>	<u>\$ 25,000</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363  
HOLCOMB, KANSAS**

SPECIAL EDUCATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended June 30, 2019  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	2018	2019		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Interest	\$ 8,517	\$ 12,231	\$ 10,000	\$ 2,231
Other	3,784	-	-	-
Transfer from general	566,771	897,009	720,545	176,464
Transfer from supplemental general	255,243	-	-	-
Total receipts	834,315	909,240	\$ 730,545	\$ 178,695
Expenditures:				
Instruction	807,260	839,222	\$ 983,819	\$ 144,597
Vehicle operating services	3,597	4,018	5,395	1,377
Vehicle services	-	-	2,500	2,500
Total expenditures	810,857	843,240	\$ 991,714	\$ 148,474
Receipts over (under) expenditures	23,458	66,000		
Unencumbered cash, beginning of year	474,404	497,862		
Unencumbered cash, end of year	\$ 497,862	\$ 563,862		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363  
HOLCOMB, KANSAS**

CAREER AND POSTSECONDARY EDUCATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended June 30, 2019  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	2018	2019		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Other	\$ -	\$ 611	\$ -	\$ 611
Transfer from general	-	-	837	(837)
Transfer from supplemental general	<u>230,582</u>	<u>187,310</u>	<u>167,800</u>	<u>19,510</u>
Total receipts	230,582	187,921	<u>\$ 168,637</u>	<u>\$ 19,284</u>
Expenditures:				
Instruction	<u>214,489</u>	<u>187,995</u>	<u>\$ 236,142</u>	<u>\$ 48,147</u>
Receipts over (under) expenditures	16,093	(74)		
Unencumbered cash, beginning of year	52,228	68,342		
Prior year canceled encumbrances	<u>21</u>	<u>74</u>		
Unencumbered cash, end of year	<u>\$ 68,342</u>	<u>\$ 68,342</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363  
HOLCOMB, KANSAS**

AT-RISK (4-YEAR-OLD) FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended June 30, 2019  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	2018	2019		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Pre-school fees	\$ 5,858	\$ -	\$ 6,000	\$ (6,000)
Transfer from supplemental general	<u>66,740</u>	<u>78,147</u>	<u>73,800</u>	<u>4,347</u>
Total receipts	72,598	78,147	<u>\$ 79,800</u>	<u>\$ (1,653)</u>
Expenditures:				
Instruction	<u>72,082</u>	<u>78,147</u>	<u>\$ 80,861</u>	<u>\$ 2,714</u>
Receipts over (under) expenditures	516	-		
Unencumbered cash, beginning of year	<u>1,625</u>	<u>2,141</u>		
Unencumbered cash, end of year	<u>\$ 2,141</u>	<u>\$ 2,141</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363  
HOLCOMB, KANSAS**

AT-RISK (K-12) FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended June 30, 2019  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	2018	2019		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Transfer from general	\$ -	\$ -	\$ 83,000	\$ (83,000)
Transfer from supplemental general	803,310	869,699	859,000	10,699
Total receipts	<u>803,310</u>	<u>869,699</u>	<u>\$ 942,000</u>	<u>\$ (72,301)</u>
Expenditures:				
Instruction	615,870	659,716	\$ 717,782	\$ 58,066
Student support services	170,223	209,983	199,236	(10,747)
Instructional support staff	7,200	-	7,200	7,200
Total expenditures	<u>793,293</u>	<u>869,699</u>	<u>\$ 924,218</u>	<u>\$ 54,519</u>
Receipts over (under) expenditures	10,017	-		
Unencumbered cash, beginning of year	<u>5,201</u>	<u>15,218</u>		
Unencumbered cash, end of year	<u>\$ 15,218</u>	<u>\$ 15,218</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363  
HOLCOMB, KANSAS**

KPERs SPECIAL RETIREMENT CONTRIBUTION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended June 30, 2019  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	2018	2019		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
State aid	\$ 684,725	\$ 597,312	\$ 973,953	\$ (376,641)
Expenditures:				
Instruction	430,188	377,127	\$ 617,648	\$ 240,521
Student support services	26,904	26,424	39,626	13,202
Instructional support staff	8,302	7,163	11,385	4,222
General administration	23,774	20,918	32,975	12,057
School administration	52,234	44,220	71,675	27,455
Central services	31,222	26,055	42,530	16,475
Operations and maintenance	65,394	55,523	92,385	36,862
Student transportation services	22,913	19,645	33,079	13,434
Food service operations	23,794	20,237	32,650	12,413
Total expenditures	684,725	597,312	\$ 973,953	\$ 376,641
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	-	-		
Unencumbered cash, end of year	\$ -	\$ -		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363  
HOLCOMB, KANSAS**

RECREATION COMMISSION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended June 30, 2019  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	2018	2019		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes:				
Ad valorem	\$ 427,467	\$ 412,628	\$ 403,440	\$ 9,188
Delinquent	2,694	3,913	3,032	881
Motor vehicle	14,190	17,012	11,988	5,024
Recreational vehicle	301	337	270	67
In lieu of taxes	703	687	1,109	(422)
Other	-	-	16,757	(16,757)
Total receipts	445,355	434,577	<u>\$ 436,596</u>	<u>\$ (2,019)</u>
Expenditures:				
Community service operations	428,200	451,732	<u>\$ 453,751</u>	<u>\$ 2,019</u>
Receipts over (under) expenditures	17,155	(17,155)		
Unencumbered cash, beginning of year	-	17,155		
Unencumbered cash, end of year	<u>\$ 17,155</u>	<u>\$ -</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363  
HOLCOMB, KANSAS**

RECREATION COMMISSION EMPLOYEE BENEFITS FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended June 30, 2019  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	2018	2019		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes:				
Ad valorem	\$ 119,238	\$ 114,689	\$ 112,045	\$ 2,644
Delinquent	321	1,045	843	202
Motor vehicle	3,407	4,729	3,336	1,393
Recreational vehicle	71	94	76	18
In lieu of taxes	195	191	308	(117)
Other	-	-	4,660	(4,660)
Total receipts	123,232	120,748	<u>\$ 121,268</u>	<u>\$ (520)</u>
Expenditures:				
Community service operations	119,000	124,980	<u>\$ 125,500</u>	<u>\$ 520</u>
Receipts over (under) expenditures	4,232	(4,232)		
Unencumbered cash, beginning of year	-	4,232		
Unencumbered cash, end of year	<u>\$ 4,232</u>	<u>\$ -</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363  
HOLCOMB, KANSAS**

NON-BUDGETED SPECIAL PURPOSE FUNDS

SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS

For the Year Ended June 30, 2019

	Title II-A	Gift	Migrant grant	Title I-A
Receipts:				
Federal aid	\$ 24,675	\$ -	\$ -	\$ 182,439
Interest	-	-	-	-
Rental fees and books	-	-	-	-
Other grants and donations	-	10,781	-	-
Transfer from supplemental general	-	-	-	-
	<u>24,675</u>	<u>10,781</u>	<u>-</u>	<u>182,439</u>
Total receipts				
Expenditures:				
Instruction	24,675	8,172	4,808	182,439
Instructional support staff	-	-	-	-
Vehicle operating services	-	-	424	-
Scholarships	-	-	-	-
	<u>24,675</u>	<u>8,172</u>	<u>5,232</u>	<u>182,439</u>
Total expenditures				
Receipts over (under) expenditures	-	2,609	(5,232)	-
Unencumbered cash, beginning of year	-	10,307	-	-
Prior year canceled encumbrances	-	3	-	-
	<u>-</u>	<u>10,310</u>	<u>-</u>	<u>-</u>
Unencumbered cash (deficit), end of year	<u>\$ -</u>	<u>\$ 12,919</u>	<u>\$ (5,232)</u>	<u>\$ -</u>

See Independent Auditor's Report.

<u>Title I- migrant</u>	<u>Holowach estate</u>	<u>Health council</u>	<u>Contingency reserve</u>	<u>Student materials</u>	<u>Title III ESL</u>	<u>Total</u>
\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ 12,798	\$ 259,912
-	4,344	-	-	-	-	4,344
-	-	-	-	63,991	-	63,991
-	-	-	-	-	-	10,781
-	-	-	-	15,506	-	15,506
<u>40,000</u>	<u>4,344</u>	<u>-</u>	<u>-</u>	<u>79,497</u>	<u>12,798</u>	<u>354,534</u>
40,000	-	-	-	79,499	11,883	351,476
-	-	-	-	-	915	915
-	-	-	-	-	-	424
-	3,000	-	-	-	-	3,000
<u>40,000</u>	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>79,499</u>	<u>12,798</u>	<u>355,815</u>
-	1,344	-	-	(2)	-	(1,281)
-	596,292	6,728	686,918	89,849	-	1,390,094
-	-	-	-	2	-	5
<u>\$ -</u>	<u>\$ 597,636</u>	<u>\$ 6,728</u>	<u>\$ 686,918</u>	<u>\$ 89,849</u>	<u>\$ -</u>	<u>\$ 1,388,818</u>

**UNIFIED SCHOOL DISTRICT NO. 363  
HOLCOMB, KANSAS**

**BOND AND INTEREST FUND**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended June 30, 2019  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	2018	2019		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes:				
Ad valorem	\$ -	\$ 358,176	\$ 349,810	\$ 8,366
Delinquent	76	450	-	450
In lieu of taxes	-	596	-	596
Total receipts	76	359,222	<u>\$ 349,810</u>	<u>\$ 9,412</u>
Expenditures:				
Debt service:				
Interest	-	142,410	<u>\$ 142,410</u>	<u>\$ -</u>
Receipts over (under) expenditures	76	216,812		
Unencumbered cash, beginning of year	<u>505,694</u>	<u>505,770</u>		
Unencumbered cash, end of year	<u>\$ 505,770</u>	<u>\$ 722,582</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363  
HOLCOMB, KANSAS**

CAPITAL IMPROVEMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS

For the Year Ended June 30, 2019  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	<u>2018</u>	<u>2019</u>
Receipts:		
Interest	\$ 4,122	\$ 6,694
Bond premiums	171,626	-
Debt proceeds	<u>4,040,000</u>	<u>-</u>
Total receipts	<u>4,215,748</u>	<u>6,694</u>
Expenditures:		
Architectural services	467,131	65,573
Building improvements	1,603,542	1,973,309
Debt issuance costs	<u>112,887</u>	<u>-</u>
Total expenditures	<u>2,183,560</u>	<u>2,038,882</u>
Receipts over (under) expenditures	2,032,188	(2,032,188)
Unencumbered cash, beginning of year	<u>-</u>	<u>2,032,188</u>
Unencumbered cash, end of year	<u><u>\$ 2,032,188</u></u>	<u><u>\$ -</u></u>

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363  
HOLCOMB, KANSAS**

DISTRICT ACTIVITY FUNDS

SCHEDULE OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH  
REGULATORY BASIS

For the Year Ended June 30, 2019

<u>Fund</u>	<u>Beginning unencumbered cash balance</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending unencumbered cash balance</u>	<u>Add encumbrances and accounts payable</u>	<u>Ending cash balance</u>
Gate receipts:						
High school:						
Gate receipts	\$ 1,020	\$ 38,299	\$ 38,696	\$ 623	\$ -	\$ 623
Activities director	-	3,087	2,596	491	-	491
Subtotal high school	<u>1,020</u>	<u>41,386</u>	<u>41,292</u>	<u>1,114</u>	<u>-</u>	<u>1,114</u>
School projects:						
High school:						
Fees	-	15,687	15,687	-	-	-
National Honor Society	31	155	186	-	-	-
Yearbook	13,515	12,439	16,003	9,951	-	9,951
Concession	8,178	31,399	33,580	5,997	-	5,997
All sports tournament	2,703	2,920	4,343	1,280	-	1,280
Holcomb coaches	3,214	1,619	4,537	296	-	296
Subtotal high school	<u>27,641</u>	<u>64,219</u>	<u>74,336</u>	<u>17,524</u>	<u>-</u>	<u>17,524</u>
Middle school:						
Fees	-	4,696	4,696	-	-	-
Morning stepper	140	-	-	140	-	140
MS concessions	1,922	-	-	1,922	-	1,922
Subtotal middle school	<u>2,062</u>	<u>4,696</u>	<u>4,696</u>	<u>2,062</u>	<u>-</u>	<u>2,062</u>
Subtotal school projects	<u>29,703</u>	<u>68,915</u>	<u>79,032</u>	<u>19,586</u>	<u>-</u>	<u>19,586</u>
Total district activity funds	<u>\$ 30,723</u>	<u>\$ 110,301</u>	<u>\$ 120,324</u>	<u>\$ 20,700</u>	<u>\$ -</u>	<u>\$ 20,700</u>

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363  
HOLCOMB, KANSAS**

AGENCY FUNDS

SUMMARY OF RECEIPTS AND DISBURSEMENTS  
REGULATORY BASIS

For the Year Ended June 30, 2019

<u>Fund</u>	<u>Beginning cash balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending cash balance</u>
Student organization funds:				
High school:				
Class of 2015	\$ 382	\$ -	\$ 190	\$ 192
Class of 2016	724	-	-	724
Class of 2017	800	-	-	800
CBI SB	1,347	3,925	3,705	1,567
Girls swim	-	338	315	23
Art club	391	1,623	708	1,306
JAG	1,656	232	1,173	715
Girls basketball	28	1,683	1,618	93
Class of 2019	452	220	672	-
Class of 2020	-	5,400	4,526	874
Class of 2022	-	4,996	3,592	1,404
Track	-	500	431	69
FFA	35,969	36,059	34,661	37,367
FCCLA	1,433	875	974	1,334
Chorus	1,274	3,289	2,349	2,214
Band	2,662	732	1,076	2,318
Boys golf fundraiser	520	-	124	396
Girls golf fundraiser	694	3,448	363	3,779
RIA metal	1,668	153	18	1,803
Drama club	4,866	1,731	2,199	4,398
Cheerleaders	1,004	1,457	1,548	913
Dance	169	1,632	473	1,328
FCA fundraiser	-	2,413	712	1,701
Bowling fundraiser	2,190	-	309	1,881
Gifted resource	59	-	-	59
Photo journalism	228	-	-	228
Odyssey of the Mind	4,418	-	2,525	1,893
CBI JA	1,040	3,975	4,045	970
Student council	2,840	2,688	2,202	3,326
KAY club	1,636	5,941	6,610	967
Book club	244	-	-	244
Class of 2012	345	-	-	345
Class of 2014	185	-	-	185
Class of 2011	379	-	-	379
Football fundraiser	-	4,156	4,156	-
Leadership program	501	-	-	501
HALO	1,651	904	1,695	860
Student activity fund	4,178	3,637	6,146	1,669
SADD	2,024	666	1,052	1,638
Forensics	1,054	565	833	786
Science club	2,705	911	479	3,137
Cross country	5	1,110	233	882
Baseball fundraiser	-	1,803	1,728	75
Wrestling fundraiser	881	-	333	548
Boys basketball fundraiser	-	1,187	368	819
Softball fundraiser	478	551	341	688
Foreign language	5,988	-	-	5,988
Subtotal high school	89,068	98,800	94,482	93,386

UNIFIED SCHOOL DISTRICT NO. 363  
HOLCOMB, KANSAS

AGENCY FUNDS

SUMMARY OF RECEIPTS AND DISBURSEMENTS  
REGULATORY BASIS

For the Year Ended June 30, 2019

<u>Fund</u>	<u>Beginning cash balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending cash balance</u>
Student organization funds (continued):				
Middle school:				
Cheerleaders	\$ 120	\$ -	\$ -	\$ 120
Student council	1,744	7,362	7,517	1,589
HMS art club	504	5,152	5,150	506
Middle school kay club	893	1,663	2,020	536
W.A.W.	2,240	-	-	2,240
7th grade class	3	-	-	3
Anime Club	125	191	-	316
A.R. reading	317	-	-	317
Middle school math	39	-	-	39
Poetry slam	30	-	-	30
National history day	334	-	-	334
MS track club	495	-	-	495
MS track	-	598	-	598
MS girls basketball	-	232	135	97
Crafting club	-	274	-	274
8th grade lock-in	-	322	155	167
Waffle club	-	61	61	-
Subtotal middle school	<u>6,844</u>	<u>15,855</u>	<u>15,038</u>	<u>7,661</u>
Elementary school:				
2nd grade teacher	97	-	80	17
Elementary fun	3,380	6,395	7,154	2,621
4th Grade Acct	88	1,003	926	165
Elementary music	746	-	-	746
Elementary STUCO	4,030	144	512	3,662
Elementary craft fair	542	-	-	542
5th grade special projects	6,560	3,390	2,696	7,254
Elementary PTO book fair	1,435	5,426	5,869	992
Subtotal elementary school	<u>16,878</u>	<u>16,358</u>	<u>17,237</u>	<u>15,999</u>
Total student organization funds	<u>112,790</u>	<u>131,013</u>	<u>126,757</u>	<u>117,046</u>
Clearing funds:				
High school sales tax	11	8,541	8,552	-
Middle school sales tax	37	858	703	192
Total clearing funds	<u>48</u>	<u>9,399</u>	<u>9,255</u>	<u>192</u>
Total agency funds	<u>\$ 112,838</u>	<u>\$ 140,412</u>	<u>\$ 136,012</u>	<u>\$ 117,238</u>

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363  
HOLCOMB, KANSAS**

**HOLCOMB RECREATION COMMISSION  
(A RELATED MUNICIPAL ENTITY)**

**GENERAL FUND**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended June 30, 2019  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	2018	Actual	Budget	2019 Variance favorable (unfavorable)
<b>Receipts:</b>				
Appropriation from Unified School District No. 363	\$ 428,200	\$ 451,732	\$ 435,772	\$ 15,960
Program fees	74,648	81,739	70,000	11,739
Wellness center	93,597	95,145	90,000	5,145
Reimbursements	1,347	166	1,000	(834)
Interest	1,847	-	771	(771)
Donations	6,875	4,425	5,000	(575)
Miscellaneous	321	6,635	-	6,635
Pool	32,897	31,271	30,000	1,271
Rent	12,800	11,862	12,000	(138)
Special events	5,167	5,241	5,000	241
Transfer from employee benefits	281	-	-	-
<b>Total receipts</b>	<b>657,980</b>	<b>688,216</b>	<b>\$ 649,543</b>	<b>\$ 38,673</b>
<b>Expenditures:</b>				
Advertising	1,692	1,887	\$ 3,500	\$ 1,613
Capital outlay	111,119	66,401	848,500	782,099
Communications	8,655	8,689	10,000	1,311
Insurance	21,724	22,204	35,000	12,796
Janitorial	4,795	3,256	5,000	1,744
Maintenance	21,180	22,498	30,000	7,502
Office	25,272	28,206	30,000	1,794
Pool	21,545	20,034	30,000	9,966
Payroll	355,497	412,507	380,000	(32,507)
Professional dues and permits	1,792	1,524	3,000	1,476
Professional fees	6,306	6,419	8,000	1,581
Programs	48,118	60,013	60,000	(13)
Refunds	5,086	4,597	9,000	4,403
Testing	-	-	1,000	1,000
Travel and training	7,549	16,459	8,000	(8,459)
Utilities	46,522	44,444	50,000	5,556
Vehicle expense	7,323	9,504	9,000	(504)
Wellness center	16,017	14,100	20,000	5,900
Miscellaneous	883	1,135	-	(1,135)
Transfer to employee benefits	-	1,629	-	(1,629)
<b>Total expenditures</b>	<b>711,075</b>	<b>745,506</b>	<b>\$ 1,540,000</b>	<b>\$ 794,494</b>
Receipts over (under) expenditures	(53,095)	(57,290)		
Unencumbered cash, beginning of year	943,270	890,175		
Unencumbered cash, end of year	<u>\$ 890,175</u>	<u>\$ 832,885</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363  
HOLCOMB, KANSAS**

**HOLCOMB RECREATION COMMISSION  
(A RELATED MUNICIPAL ENTITY)**

**EMPLOYEE BENEFITS FUND**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended June 30, 2019  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	<u>2018</u>	<u>2019</u>		<u>Variance favorable (unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts:				
Appropriation from Unified School District No. 363	\$ 119,000	\$ 124,980	\$ 120,603	\$ 4,377
Interest	-	2,621	-	2,621
Transfer from general	-	1,629	-	1,629
Total receipts	<u>119,000</u>	<u>129,230</u>	<u>\$ 120,603</u>	<u>\$ 8,627</u>
Expenditures:				
Employee benefits	114,986	135,024	\$ 181,989	\$ 46,965
Transfer to general	281	-	-	-
Total expenditures	<u>115,267</u>	<u>135,024</u>	<u>\$ 181,989</u>	<u>\$ 46,965</u>
Receipts over (under) expenditures	3,733	(5,794)		
Unencumbered cash, beginning of year	<u>57,653</u>	<u>61,386</u>		
Unencumbered cash, end of year	<u>\$ 61,386</u>	<u>\$ 55,592</u>		

See Independent Auditor's Report.